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CIA Progress Report, October 1950 to December 1951
Section IV, 7, Specific problems of the separate offices
ORR Problem 2, Necessity for operational knowledge

Types of operational knowledge at present largely withheld from ORR are required for two specific purposes: watching for developments in the USSR analogous to those which have already taken place in the US; and estimating Soviet capabilities and vulnerabilities more accurately.

Modern economics is, in reality, a large number of specialized subjects, complicated by continuous revolutionary technical changes. Theoretically, every required type of specialized knowledgeability would be present in personnel within the ideal central intelligence agency or at least in the government intelligence community. The pace of change in technical developments, however, is so rapid, and so increasingly comes under the security wraps of US operations and counter-measures, that it is difficult for the knowledgeable agency analyst to know what to look for in the foreign field without the parallel knowledge of domestic activity.

Because military development embraces specialized economic developments, important domestic data are put outside of the ken of the economic intelligence analyst. These developments have sometimes revolutionary significance in terms of the use of new materials or different processes. The economic analyst is severely handicapped in knowing what to look for in the foreign field unless he knows about these domestic developments. At present, however, many domestic developments are classified

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in such fashion that the intelligence specialist has no access to them and is thereby precluded from intelligent inquiry in the parallel foreign field.

An example of these restrictive practices is the background of ORR's recent receipt of a request for information about Soviet production of optol (catechol). Normal domestic production of this item (75 tons a year) is of minor significance among literally tens of thousands of chemical products turned out. It is not physically possible to cover all chemical items, and therefore priority attention must be given those items known to be of the most importance. In this case, through indirect and somewhat indiscreet sources, it was learned that optol is of paramount importance in certain new US weapons production, and may be a key to determining the extent of similar Soviet production. It will be necessary, however, because the evidence of such Soviet production is bound to be fragmentary and indirect, to have more quantitative and qualitative data from the military's operational units before appropriate requirements can be set and coverage arranged.

Another aspect of the security separation by the military of domestic planning and operational information from the intelligence function is that it seriously blocks the effort intelligence-wise of defining Soviet vulnerabilities and capabilities.

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ORR's exploration of Soviet strengths and weaknesses presupposes a knowledge of domestic strength, including weapons, which would provide a natural or unquestionable advantage over any given Soviet condition. Unless this domestic strength is known, the condition of Soviet vulnerability cannot be recognized.

The history of Soviet atomic development is an excellent case in point. Had the intelligence community known the economic factors necessary in any one of several fields for the production of atomic energy, it would have been relatively easy to estimate the dependence of the USSR on the US for realization of its own production. In the field of machine tools alone, it would have been possible to act upon the vulnerability of the USSR in this respect by withholding those unique tools and instruments the Soviet found it had to purchase on the US market to build the USSR atomic energy plant, or even to effect covert measures which would have mislead the USSR into undertaking wasteful processes at the sacrifice of other economic goals.

Again, the present US weapons strength, while it remains unknown to the intelligence community makes it impossible to accurately estimate the extent of Soviet industrial vulnerability to western war measures, or to even define the context of Soviet vulnerability, as it relates to factors of decentralization, stockpiling, recuperability, etc. All of these factors and others only have significance when related to the magnitude of effect of US planned operations.

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There are undoubtedly from the military point of view what seem to them good reasons for the restrictions imposed; against these reasons, however, the serious disadvantages to intelligence knowledge and consequently to the national security interest must be weighed. The above-cited examples are not unique and only serve to emphasize the unity of the modern war and the modern economy. Up to the present time much of such needed data on domestic military development has been refused ORR by the military departments.

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